

Message Text

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PAGE 01 OTTAWA 01963 232308Z

43

ACTION EUR-12

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EB-07 FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6548

INFO AMEMBASSY BONN

MAEMBASSY BRUSSELS 585

USMISSION EC BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

USMISSION USUN

AMEMBASSY PARIS

USMISSION OECD PARIS UNN

AMEMBASSY ROME

AMEMBASSY THE HAGUE

UNCLAS OTTAWA 1963

EO 11652 NA

TAGS ETRD EEC CA

SUBJ CANADA-EC "CONTRACTUAL LINK"

REF OTTAWA 1962

1. FOLLOWING IS TEXT EC PRESS RELEASE ON ABOVE SUBJECT WHICH WAS
PROVIDED TO EMBASSY BY EXTAFF (SEE PARA 2 REFTEL):

BEGIN VERBATIM TEXT:

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PAGE 02 OTTAWA 01963 232308Z

NEW-STYLE AGREEMENT BETWEEN COMMUNITY AND CANADA PROPOSED.

THE COMMISSION HAS RECOMMENDED TO THE COUNCIL THAT THE COMMUNITY SHOULD OPEN NEGOTIATIONS WITH CANADA FOR THE CONCLUSION OF A FRAMEWORK AGREEMENT FOR ECONOMIC AND COMMERCIAL COOPERATION (COM(75)224). THE COMMISSION BELIEVES THAT THE OPENING OF SUCH NEGOTIATIONS WOULD MARK AN IMPORTANT STEP IN THE DEVELOPMENT OF THE COMMUNITY'S RELATIONSHIP WITH CANADA. THIS WOULD BE THE FIRST SUCH AGREEMENT BETWEEN THE COMMUNITY AND AN ADVANCED INDUSTRIAL NATION AND A SIGNIFICANT DEVELOPMENT IN THE COMMUNITY'S EXTERNAL RELATIONS.

ESSENTIAL FEATURES

THIS AGREEMENT WOULD BE NON-DISCRIMINATORY IN CHARACTER. IT WOULD ESTABLISH A BROAD COMMUNITY FRAMEWORK FOR ECONOMIC AND COMMERCIAL COOPERATION WITH CANADA EXTENDING BEYOND THE FIELD OF CLASSICAL TRADE POLICY AND GEARED TO THE PRESENT STATE OF ECONOMIC RELATIONS BETWEEN BOTH PARTIES AND THEIR FUTURE POTENTIAL. THUS, FUTURE COMMUNITY-SCALE COOPERATION WITH CANADA COULD COMPLEMENT THAT OF THE INDIVIDUAL MEMBER STATES.

THE NEW AGREEMENT COULD THUS PROVIDE THE FRAMEWORK WITHIN WHICH COMMUNITY AND CANADIAN INDUSTRIES COULD PROMOTE JOINT VENTURES, EXCHANGE ALL RELEVANT INFO, FACILITATE CONTACTS BETWEEN INDUSTRIAL POLICYMAKERS AND FIRMS.

BACKGROUND

CANADA'S DESIRE FOR CLOSER RELATIONS WITH THE EUROPEAN COMMUNITY HAS FOUND CLEAR AND CONSISTENT EXPRESSION ON A NUMBER OF OCCASIONS IN RECENT YEARS. THUS ON NOVEMBER 7, 1972, SHORTLY AFTER THE PARIS SUMMIT HAD CALLED FOR THE DEVELOPMENT WITH CANADA OF A "CONSTRUCTIVE DIALOGUE", THE CANADIAN GOVERNMENT ADDRESSED AN AIDE-MEMOIRE TO THE COMMISSION EXPLORING THE POSSIBILITY OF A GENERAL AGREEMENT ON ECONOMIC AND TRADE MATTERS. THESE IDEAS WERE TAKEN FURTHER IN THE CANADIAN AIDE-MEMOIRE OF APRIL 20, 1974, ASKING THAT NEGOTIATIONS SHOULD BE OPENED FOR AN AGREEMENT WHICH WOULD "FOSTER THE DEVELOPMENT OF LONG-TERM COMMERCIAL AND ECONOMIC RELATIONS." AT THE SAME TIME, THE CANADIANS INDICATED ON AN INFORMAL BASIS THE KIND OF AGREEMENT--IN EFFECT A TRADE AGREEMENT--WHICH MIGHT SERVE AS A POINT OF DEPARTURE FOR DISCUSSION. IN ITS COMMENTS TO THE COUNCIL, THE COMMISSION SAW NO

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PAGE 03 OTTAWA 01963 232308Z

POINT IN THE NEGOTIATION WITH CANADA OF AN AGREEMENT WHICH WOULD REPRODUCE IN A COMMUNITY FRAMEWORK TRADE OBLIGATIONS ALREADY EXISTING IN THE GATT OR IN PREVIOUS BILATERAL AGREEMENT BETWEEN CANADA AND MEMBER STATES.

THE COMMISSION'S PREFERENCE WAS FOR THE NEGOTIATION OF AN AGREEMENT WITH CANADA THAT WOULD EMBRACE COMMERCIAL QUESTIONS BUT WOULD ALSO PROVIDE "A BROAD COMMUNITY FRAMEWORK FOR ECONOMIC AND COMMERCIAL COOPERATION BETWEEN CANADA AND THE MEMBER STATES EXTENDING

WELL BEYOND THE FIELD OF CLASSICAL TRADE POLICY." (SEC(74)3372
FINAL OF SEP 12, 1974.) THESE EXPLORATORY TALKS HAVE NOW BEEN
COMPLETED AND THE COMMISSION CONCLUDES THAT THE TIME HAS COME FOR
THE COMMUNITY TO TAKE A DEFINITE POSITION ON THE QUESTIONS OF
CONTRACTUAL LINK WITH CANADA AND ON THE NATURE OF SUCH A LINK.

2. REPORT FROM GOC MISSION TO EC SAID EC SPOKESMENT
DID NOT ELABORATE BEYOND INFO CONTAINED IN RELEASE
WHEN RELEASE WAS HANDED OUT AT NOON BRIEFING MAY 21.
PORTER

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